

BETTER POLICIES FOR BETTER LIVES

Measuring the Internet economy

OECD/FCC metrics workshop Washington DC 12-13 October 2011

The views expressed in this presentation are those of the author and do not necessarily reflect the opinions of the OECD or its Membership.

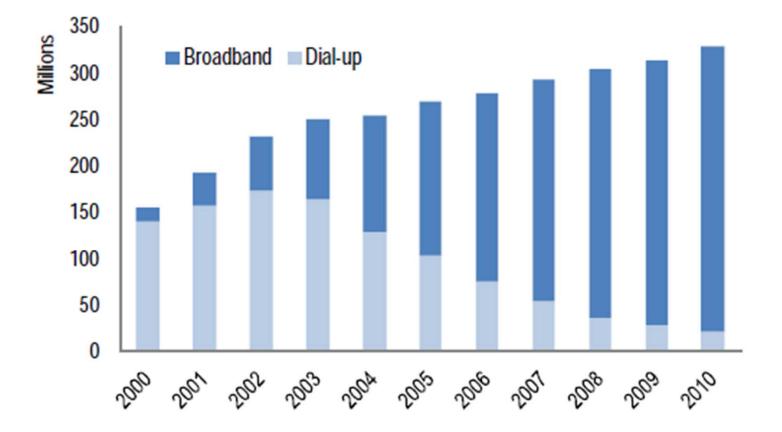
Data is beautiful

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A	AB	AC	AD	AE	AF	AG	AH	AI	AJ	AK	AL	AM	AN	AO	AP	AQ	AB
TOTAL BB	2006-Q1	2006-Q2	2006-Q3	2006-Q4	2007-Q1	2007-Q2	2007-Q3	2007-Q4	2008-Q1	2008-Q2	2008-Q3	2008-Q4	2009-Q1	2009-Q2	2009-03	2009-04	2010-Q1
Australia	3,161,600	3,518,100	3,639,700	3,816,172	4,258,186	4,700,200	4,777,672	4,830,200	4,905,928	4,981,656	5,158,828	5,336,000	5,346,000	5,356,000	5,351,000	5,107,000	5,137,00
Austria	1,236,405	1,300,032	1,340,892	1,383,798	1,456,220	1,543,518	1,577,294	1,597,991	1,635,129	1,680,876	1,724,910	1,768,941	1,794,971	1,821,000	1,832,947	1,844,891	1,883,16
Belgium	1,963,324	2,025,112	2,294,486	2,355,603	2,436,245	2,512,884	2,604,881	2,715,793	2,752,687	2,789,579	2,876,016	2,962,450	3,001,881	3,041,311	3,078,004	3,114,695	3,175,87
Canada	6,968,028	7,143,058	7,430,525	7,929,081	7,980,302	8,143,392	8,389,826	8,975,902	8,874,635	9,020,982	9,213,151	9,405,318	9,505,638	9,924,885	9,952,443	9,980,000	10,059,3
Chile																1,611,325	1,670,45
Czech Republic	911,000	985,000	1,013,279	1,136,758	1,176,100	1,252,300	1,379,200	1,501,420	1,563,710	1,626,000	1,697,842	1,769,684	1,830,822	1,891,958	1,623,473	1,354,986	1,400,94
Denmark	1,414,446	1,590,539	1,642,287	1,728,337	1,797,323	1,866,306	1,788,488	1,945,842	1,878,439	1,996,408	2,008,907	2,021,404	2,026,202	2,031,000	2,038,500	2,046,000	2,054,00
Finland	1,259,100	1,309,800	1,366,600	1,429,200	1,474,800	1,518,900	1,569,383	1,617,100	1,616,650	1,616,200	1,616,550	1,616,900	1,598,250	1,579,600	1,509,700	1,427,200	1,417,35
France	10,506,800	11,105,000	11,757,000	12,718,313	13,667,000	14,155,000	14,799,009	15,550,000	16,125,000	16,700,000	17,212,500	17,725,000	18,203,000	18,680,000	19,128,000	19,582,000	19,919,50
Germany	10,813,405	12,444,600	13,713,600	14,982,600	16,227,300	17,472,000	18,501,500	19,531,000	20,574,650	21,618,300	22,075,150	22,532,000	23,254,500	24,043,000	24,489,250	24,935,500	25,267,43
Greece	227,699	300,658	390,625	509,081	650,719	787,678	935,898	1,084,115	1,164,748	1,245,974	1,311,221	1,506,614	1,706,307	1,908,000	1,913,315	1,918,630	2,012,8
Hungary	791,686	980,082 80,672	1,066,005 84,339	965,384 87,738	1,067,838 89,181	1,170,290 90,622	1,256,593 94,281	1,395,612 97,937	1,489,358 101,443	1,583,102 98,361	1,662,410 101.029	1,696,714 103,697	1,618,885	1,688,414 104,604	1,688,608	1,785,226	1,827,68
lceland Ireland	325,495	374,890	438,885	519,029	604,376	655,972	718,054	767,736	800,164	832,590	864,470	896,346	923,215	950,082	910,323	870,562	889,2
Italy	7,235,753	7,697,249	8,238,596	8,393,000	8,944,000	9,307,000	9,675,007	10,131,542	10,429,597	10,727,651	11,005,326	11,283,000	11,580,500	11,878,000	12,065,565	12,253,129	12,551,10
Japan	23,866,723	24,500,348	25,041,143	26,438,351	26,438,867	27,152,349	27,950,938	28,749,525	29,045,718	29,341,909	29,724,618	30,107,327	30,517,166	30,927,003	31,278,893	31,630,781	32,584,28
Korea	14,681,694	15,596,381	14,359,219	14,012,921	14,227,799	14,441,687	14,590,971	14,709,998	14,970,775	15,059,029	15,266,981	15,474,931	15,706,731	15,938,529	13,507,460	16,347,716	16,568,44
Luxembourg	75,413	81,303	86,027	99,280	99,010	103,755	116,508	129,260	141,614	133,736	138,752	143,766	148,470	153,172	155,861	158,548	164,15
Mexico	2,634,442	2,950,988	3,306,453	2,978,359	3,576,249	3,686,719	4,139,384	4,457,247	4,864,978	5,311,252	6,420,111	7,528,969	8,164,476	8,799,982	9,226,499	9,488,780	10,166,25
Netherlands	4,368,201	4,705,829	4,876,415	5,065,000	5,267,500	5,470,000	5,579,500	5,617,902	5,691,954	5,806,595	5,830,798	5,855,000	6,036,250	6,262,500	6,196,250	6,130,000	6,187,50
New Zealand	422,133	479,000	542,367	490,067	586,784	683,500	720,391	757,132	805,077	853,020	884,181	914,961	947,806	980,649	984,822	988,993	1,018,75
Norway	1,117,951	1,190,310	1,179,276	1,250,899	1.331.974	1,413,047	1,424,652	1,436,255	1,495,625	1,554,993	1.581.372	1,607,750	1.626.685	1.645.619	1,639,606	1,633,592	1.643.7
Poland	1,476,727	2,032,700	2,326,575	2,736,923	2,889,126	3,041,327	3,169,514	3,297,700	3,474,579	3,651,458	3,823,458	3,995,458	4,151,725	4,307,992	4,495,414	4,682,835	4,832,86
Portugal	1,272,942	1,299,880	880,378	1,423,687	1,494,532	1,511,144	1,512,229	1,513,314	1,540,781	1,568,247	1,630,278	1,692,306	1,750,831	1,809,354	1,855,814	1,902,273	1,957,9
Slovak Republic	153,480	216,771	245,818	274,108	344,958	368,454	382,615	413,244	425,787	480,375	572,235	618,871	519,824	680,351	608,679	627,722	639,45
Spain	5,415,905	5,864,034	6,197,285	6,658,907	7,109,066	7,483,790	7,691,115	7,898,436	8,288,478	8,678,517	8,917,744	9,156,969	9,317,173	9,477,901	9,632,240	9,786,578	10,024,25
Sweden	2,014,367	2,140,500	2,278,233	2,398,000	2,487,000	2,605,600	2,682,300	2,780,000	2,801,000	2,820,000	2,862,500	2,905,000	2,910,000	2,915,000	2,928,325	2,941,648	2,954,0
Switzerland	1,882,290	1,983,113	2,034,568	2,064,118	2,205,999	2,335,275	2,386,702	2,438,128	2,446,169	2,471,592	2,506,312	2,523,649	2,563,525	2,603,400	2,698,563	2,793,723	2,844,27
Turkey	1,830,000	2,128,600	2,402,034	2,773,685	3,350,059	3,767,912	4,081,857	4,395,800	4,704,400	5,012,999	5,374,810	5,736,619	5,962,648	6,188,676	6,317,526	6,446,374	6,613,42
United Kingdom	11,078,853	11,622,929	12,218,702	12,995,140	13,848,876	14,361,816	14,983,958	15,606,100	16,158,135	16,710,169	16,992,915	17,275,660	17,509,169	17,742,676	17,977,984	18,213,290	18,520,43
United States	51,845,440	54,340,269	56,010,590	60,642,869	62,348,756	65,543,129	68,512,615	70,056,146	73,344,050	72,756,865	75,924,423	77,596,095	77,128,420	81,342,173	82,299,910	81,100,342	82,222,63
OECD	171,030,657	181,987,748		200,256,408	209,436,145	219,145,566	227,992,335	235,998,377	244,111,258	248,728,435	256,979,798	263,757,399	267,455,221	276,672,831	277,489,662	282,809,109	288,367,91
EU 15	58,878,492	63,508,544	67,612,403	72,549,515	77,448,523	81,237,935	84,735,124	88,386,556	91,599,026	94,798,452	96,982,342	99,296,356	101,760,719	104,292,596	105,712,078	107,124,944	108,978,77
OECD growth r (Q)	7.18	6.41	3.52	6.29	4.58	4.64	4.04	3.51	3.44	1.89	3.32	2.64	1.40	3.45			
OECD growth r (Y)	31.64	31.69	26.91	25.49	22.46	20.42	21.01	17.85	16.56	13.50	12.71	11.76	9.56	11.23			
OECD growth r (H)	15.21	14.04	10.16	10.04	11.16	9.43	8.86	7.69	7.07	5.39	5.27	6.04	4.08	4.90			
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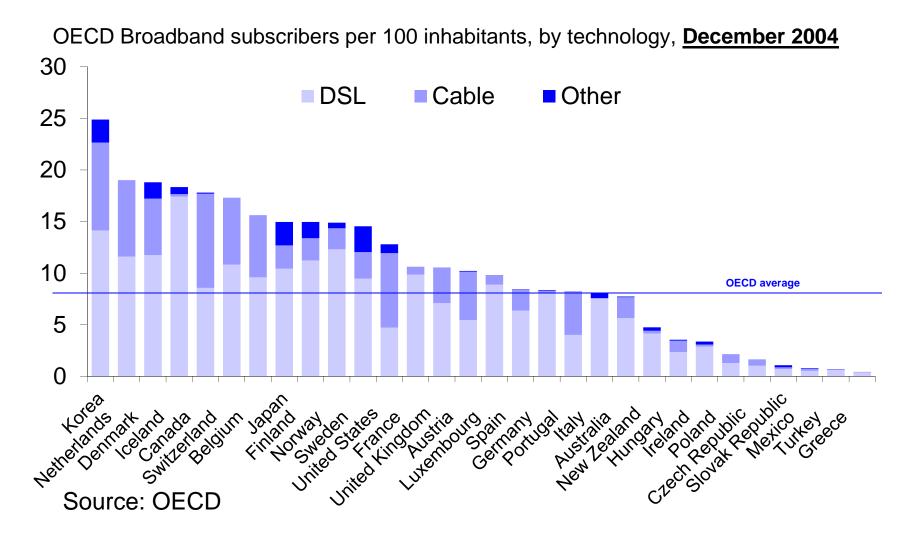
Data: Tracking progress

1. Number of OECD fixed Internet subscriptions





Data: Identifying early innovators





A tool for shaping policy

• Data is important but the ultimate objective is informing policy making







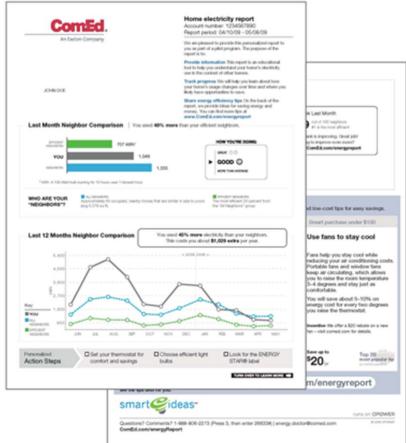
Broadband → Big potential effects

 Electricity savings of 1.5% to 3.5% annually simply by showing people their usage and comparing it with their neighbors





Home Electricity Report



Benefits justifying rollouts

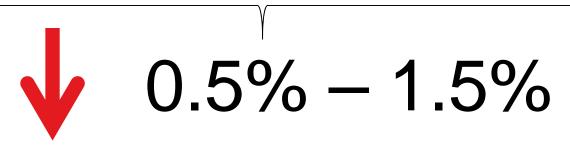


Electricity

Transportation

Education

Health



On average, a cost savings of between 0.5% and 1.5% in each of the four sectors over ten years resulting directly from the new broadband network platform could justify the cost of building a national point-to-point, fibre-to-the-home network.



Understanding the Internet economy

Approach 1

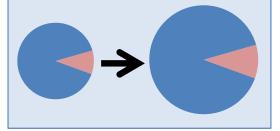
Approach 2

Internet economy: e.g. income generated by Internet-related activities

GDP static effects

Direct impact: e.g. productivity gains generated by Internetrelated activities

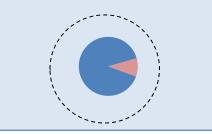
GDP dynamic effects



Approach 3

Indirect impact: e.g. consumer surplus generated by Internet activities

Beyond GDP





Key discussion topics (Sept 2011)

- Will need various approaches. Each has benefits and drawbacks.
- Solow's Paradox
 - Large investments leading to sector gains but difficult to pull out of macro industry or GDP statistics
 - Will also require sector-specific approaches
 - Time lag still a problem
- New metrics needed
 - Intensity, QoS, availability/adoption/usage effects



Timeline/Outcomes

- Sep 2011
 Expert Roundtable in Paris
- Dec 2011

Drafts: report / Internet Economy Outlook chapter

- Feb 2012
 Revised version of report/chapter
- Jun 2012

Release of report, Internet Economy Outlook Workshop with policy makers

• 2012 and beyond

Standardization and development of statistics to support measurements. Continuing impact studies

